

Title 18. State Board of Equalization

NOTICE IS HEREBY GIVEN

The State Board of Equalization, pursuant to the authority vested in it by section 15606(a) of the Government Code and section 32451 of the Revenue and Taxation Code, proposes to adopt Regulation 2570 and amend Regulations 2500, 2538, and 2552 in Title 18, Division 2, Chapter 6 of the California Code of Regulations, relating to the Alcoholic Beverage Tax Law. A public hearing on the proposed regulation and amendments will be held in Room 121, 450 N Street, Sacramento, at 1:30 p.m., or as soon thereafter as the matter can be heard, on November 13, 2002. At the hearing, any person interested may present statements or arguments orally or in writing relevant to the proposed regulatory action. The Board will consider written statements or arguments if received by November 13, 2002.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Board proposes to adopt and amend the Alcoholic Beverage Tax Regulations as follows:

Proposed Regulation 2570 describes the conditions that must be met in order for a person to be relieved of liability for the payment of alcoholic beverage taxes, including penalties and interest added to those taxes. This proposed regulation is consistent with Sales and Use Tax Regulation 1705.

Regulation 2500 specifies the records to be kept by alcoholic beverage taxpayers. The proposed amendments delete the current language and proposes adding requirements consistent with Sales and Use Tax Regulation 1698. The proposed amendment also correctly updates the title of the regulation from "General" to "Records."

Regulation 2538 specifies return reporting requirements when taxpayers have two types of licenses. The proposed language is to clarify which return is required to be filed and to correct gender specific language.

Regulation 2552 describes exemptions allowable for spoiled beer and wine. The proposes changes clarify that an exemption is allowable only for tax-paid beer or wine and to create consistency with section 32176 of the Alcoholic Beverage Tax Law.

COST TO LOCAL AGENCIES AND SCHOOL DISTRICTS

The Board has determined that the proposed regulation and amendments do not impose a mandate on local agencies or school districts. Further, the Board has determined that the proposed actions will result in no direct or indirect cost or savings to any State agency, any costs to local agencies or school districts that are required to be reimbursed under Part 7 (commencing with section 17500) of Division 4 of Title 2 of the Government Code or other non-discretionary costs or savings imposed on local agencies, or cost or savings on Federal funding of the State of California.

EFFECT ON BUSINESS

Pursuant to Government Code section 11346.5(a)(8), the Board of Equalization makes an initial determination that the proposed action will have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The proposed action will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

The proposed action will not be detrimental to California businesses in competing with businesses in other states.

The proposed action may affect small business.

COST IMPACT ON PRIVATE PERSON OR BUSINESS

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SIGNIFICANT EFFECT ON HOUSING COSTS

No significant effect.

FEDERAL REGULATIONS

There are no comparable federal regulations.

AUTHORITY

Section 32451, Revenue and Taxation Code

REFERENCE

Sections 32151, 32171, 32173, 32174, 32175, 32176, 32251.5, 32257, 32452, 32453, of the Revenue and Taxation Code

CONTACT

Questions regarding the substance of the proposed regulation and amendments should be directed to Monica Gonzalez Brisbane, at P.O. Box 942879, 450 N Street, MIC: 82, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Ms. Diane Olson, Regulations Coordinator, telephone (916) 322-9569, fax (916) 324-3984, e-mail Diane.Olson@boe.ca.gov or Ms. Karen Anderson, Contribution Disclosures Analyst, telephone (916) 327-1798, e-mail Karen.Anderson@boe.ca.gov or by mail

at State Board of Equalization, Attn: Diane Olson or Karen Anderson, MIC:80, P.O. Box 942879, 450 N Street, Sacramento, CA 94279-0080.

ALTERNATIVES CONSIDERED

The Board must determine that no reasonable alternative considered by it or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which this action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS AND AMENDMENTS

The Board has prepared an initial statement of reasons and an underscored version (express terms) of the proposed regulations and amendments. Both of these documents and all information on which the proposal is based are available to the public upon request. The Rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed regulation and amendments are available on the Internet at the Board's web site <http://www.boe.ca.gov>.

AVAILABILITY OF FINAL STATEMENT OF REASONS

The final statement of reasons will be made available on the Internet at the Board's web site following its public hearing on the proposed regulation. It is also available for your inspection at 450 N Street, Sacramento, CA.

ADDITIONAL COMMENTS

Following the hearing, the Board may, in accordance with the law, adopt the proposed regulation and amendments if the text remains substantially the same as described in the text originally made available to the public. If the Board makes modifications that are substantially related to the originally proposed text, the Board will make the modified text, with the changes clearly indicated, available to the public fifteen days before adoption of the regulation and amendments. The text of any modified regulation will be mailed to those interested parties who commented on the proposed regulatory action orally or in writing or who asked to be informed of such changes. The modified regulation will be available to the public from Ms. Olson. The Board will consider written comments on the modification for fifteen days after the date on which the modified regulation is made available to the public.

DATED: September 13, 2002

STATE BOARD OF EQUALIZATION
Deborah Pellegrini
Chief, Board Proceedings Division